Gansu Revitalization and Innovation Project

Environmental & Social Management Framework (ESMF)

Gansu Financing Holding Group Co. Ltd.

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I. Introduction

1.1 Project Background

Gansu Province is the least developed and second poorest province among all the provincial-level regions in China. Poor natural conditions, overpopulation (compared to the size of arable land), and a landlocked location, had shaped Gansu's consistent poverty throughout history. Despite significant achievements on poverty reduction, with 54 percent of its total population living in poor rural areas, Gansu still has a large low-income population under poverty or vulnerable to poverty.

On the other hand, Gansu Province is an important origin place of the Chinese civilization and has many tourist and heritage sites along the ancient Silk Road. The richness and uniqueness of natural, cultural, and human resources in Gansu constitutes a unique comparative advantage for the province to develop its culture, tourism, and creative industry as sustainable development sectors with high potentials. The government has mainstreamed these sectors as the key drivers of economic growth and poverty alleviation in Gansu. In this context, the Gansu Revitalization and Innovation Project (the Project) was initiated to supplement and build synergy with the ongoing programs and investments with the World Bank’s supports, focusing on maximizing benefits to local communities in Gansu.

The Project is proposed to increase income-generating opportunities, improve access to infrastructure and services, and strengthen the institutional capacity of participating entities in Gansu. The total project cost of US$280 million, of which US$180 million is from the IBRD Loan, which will be implemented in 6 years from June 2019 until June 2025. The integrated project approach is structured around three components that support development of a) financial services, b) targeted interventions in infrastructure and public services, and c) institutional strengthening and capacity building, as summarized below.

- **Component 1:** Increased Access to Financial Services for MSEs (Total Investment: US$150 million, IBRD Loan: US$50 million). This component supports private sector development through the provision of financing for new or existing MSEs engaged in the cultural, tourism, and creative industries. The component also seeks to support the creation of a sustainable credit market for MSEs by demonstrating the financial viability of the cultural, tourism, and creative sectors and by supporting the recently established provincial holding company to serve as a wholesale vehicle for meeting the demands of the underbanked segments in Gansu and for spurring financial innovation. It is to establish a sustainable credit market by providing micro credits through the Gansu Bank to eligible Micro and Small Enterprises (MSEs) on cultural, tourism and creative industry in Gansu Province.

- **Component 2:** Urban-Rural Regeneration (IBRD loan: US$114 million). This component will make critical investments in small- and medium-scale infrastructure in project areas that will improve living conditions for residents and enable the creation of more income-generating opportunities in creative industries.
One focus of the component is on the regeneration of urban areas and villages with cultural endowments. Another is to expand the cultural, tourism, and creative industries by constructing exhibition sites, spaces for MSE incubation and training, and creating marketplaces. The two sub-components will benefit local residents and visitors and create income-generating opportunities (Annex 2 provides details about the component).

- **Component 3:** Institutional Strengthening and Global Knowledge Transfer (IBRD loan: US$16 million). This component aims to strengthen the institutional capacity in Gansu to manage economic and social development, using cultural, tourism, and creative industries as a pillar for inclusive and sustainable economic growth and poverty alleviation.

For Component 2, since the subproject contents, investment and locations have been clearly defined, an Environmental Impact Assessment (EIA) report together with a standalone Environmental and Social Management Plan (ESMP) has been prepared. However, the activities to be supported by Component 1 and Component 3 can only be specified during project implementation, a separate Environmental and Social Management Framework (ESMF) has been developed to ensure adequate environmental and social management and full compliance with national environmental regulatory system and the World Bank’s safeguards policies during the implementation of Component 1 and Component 3.

1.2 Project Description

Component 1 is to establish a Line of Credit (LoC) to directly on-lend IBRD to GFHG, which is the wholesaler financial intermediary and the project implementing unit for this subcomponent. GFHG will enable Bank of Gansu and other Participating Financial institutions (PFIs), through signing subsidiary agreement, to provide line of credit to eligible MSEs on cultural, tourism, and creative industry in Gansu Province. Bank of Gansu and other PFIs will provide matching funds of US$100 million. To maximize impacts, no less than 40 percent of the subcomponent will be invested in micro enterprises, with each single credit of no more than US$50,000; whereas the remaining 60 percent of the subcomponent will be invested in small enterprises, with each single credit of no more than US$500,000, with most credits around US$120,000.

The activities to be supported under Component 1 will be related to cultural tourism development, such as countryside complex, car camping, hotels, catering, handicraft making and selling, logistics, commercial trading, etc. To ensure synergy with Component 2 and 3, and to maximize geographical coverage, no less than 40 percent of the subprojects will be invested in Tianshui, Dingxi, Zhangye and Jiuquan Prefectures; whereas the remaining 60 percent of the loan can be invested in other prefectures of Gansu Province.

In parallel, IFC will provide a senior loan of US$50 million equivalent, with additional syndicated loans, to expand lending by the China Foundation for Poverty Alleviation–Microfinance Management Co., Ltd (CFPA MF) to micro and very small enterprises (MVSEs). IFC aims to expand CFPA MF’s lending to women-owned/managed MVSEs in rural area in Gansu, and to support the growth of
the tourism and service sector in Gansu. Working with CFPA MF, IFC will be targeting the micro and very small spectrum of the value chain with loan sizes ranging from below US$5,000 for micro-loans and below US$15,000 for very small-loans. Thus, collectively, the World Bank Group will cover the full range of enterprises that have expressed a need for credit.

Also, in parallel, GFHG plans to invest US$50 million as paid-in capital. GFGC will use this investment to back up guarantees to be extended to financial institutions lending to MSEs, against the risk of payment default of such MSEs, up to an estimated amount equivalent to US$200 million. Technical assistance to GFHG under the project will help build its capacity to administer a credit guarantee facility, which may, over time, contribute significantly to improving financial access to MSEs and sustain project impact beyond the closing date. The activities under Component 3 mainly includes: (a) Completion of studies and the development of sustainable site management plans, improved policies and regulations, marketing strategies, and Gansu branding and promotion activities; (b) Provision of technical assistance, trainings and business advisory services to communities, MSEs, participating financial institutions and local and provincial officials; (c) Provision of support for project management and implementation; (d) Establishment of a Gansu culture and tourism knowledge hub and dissemination of knowledge globally. The specific activities remain to be determined during project implementation.

1.3 Institutional Arrangements

1. Institutional Arrangements of Component 1

Component 1 will be implemented by Gansu Financing Holding Group (GFHG) (as the line of credit PPMO responsible for micro-credit management under component 1) and competitively selected PFIs, including Bank of Gansu (BoG). The Gansu Provincial Financial Bureau will supervise and provide guidance during the Component implementation. Partners responsibilities in the Component are listed below.

- **Gansu Financial Holding Group Co. Ltd (GFHG)**, where the PPMO for Component 1 (the “Microcredit PPMO”) is housed, responsible for the overall implementation of project activities. it will provide loans to the small and micro enterprises of the Pan cultural and tourism industries through Gansu Bank.

- **Bank of Gansu (BoG) and other PFI**, provide sub-loans to the MSEs in the cultural, tourism and creative industries development in Gansu through their own lending channel.

- **Gansu Provincial Financial Department (GPFD)** is the administrative authority responsible for providing guidance and administrative instructions to the financing of subprojects under Component 1.

- **World Bank (WB)**, provides guidance and implementation support during the preparation and implementation of this Component.

2. Institutional Arrangements of Component 2 & 3
Both Component 2 and Component 3 will be implemented by the Gansu Provincial Culture Department (GPCD) and the project management office under it (“the Culture and Tourism PPMO”). The World Bank and Gansu Provincial Culture Department (GPCD) will supervise and provide guidance during the implementation of Component 2 and 3. Partners responsibilities are listed below.

- **Gansu Provincial Culture Department (GPCD)**, where the PPMO for Component 2 and Component 3 is housed, responsible for the overall implementation of the components; at the same time, GPCD, as the provincial authority for cultural heritage protection, will also take the responsibilities to guide and supervise the project implementation following the applicable national and local laws and regulations on cultural heritage protection.

- **Gansu Provincial Development and Reform Commission (GPDRC)**, is the administration agency responsible for giving administrative instructions and approval to activities under the components.

- **World Bank (WB)**, guidance and implementation support during the preparation and implementation of the components.
II. Introduction on the ESMF

2.1 Purpose of ESMF

The purpose of this ESMF is to instruct the customs to screen the proposed subproject activities whose construction contents and sites are still unsure before project appraisal in using the World Bank loan, based on the World Bank safeguards policies and practices. From the perspective of environmental and social sustainable management, the ESMF will be used for screening project activities, assess its environmental impact, preparing the effective measures to mitigate the negative impact of the project, and to regulate the management of environmental and social impact to the coming subproject activities in future, so as to maximally avoid the negative environmental and social impact caused by the implementation of the projects, and ensure each subproject activity could remain consistence with the requirements of the World Bank safeguards policies and domestic relevant polices and regulations.

2.2 Scope of Application

This ESMF is applicable to the activities under the Component 1 to be supported by the World Bank loan (US$50 million) and the counterpart fund from Bank of Gansu and other PFIs (US$100 million). Additionally, the ESMF will also be applied to Component 3 of the Project as described in Section 1.2.

The World Bank is not financing or co-financing the guarantees. Parallel funding provided by GFHC for guarantees and equity is neither a subcomponent of the project nor part of the financing or disbursement in the loan agreement. The whole operation will be in parallel to the LoC proposed under Component 1 and implemented by a different subsidiary of GFHG, namely Gansu Financial Guarantee Company (GFGC). Therefore, this ESMF will not be applicable to the guarantee activities. However, if an MSE applies for a credit from Bank of Gansu/PFIs, as well as a credit guarantee from GFGC, the ESMF requirements will be applied. In addition, as the implementing agency (IA) of Component 1, GFHG is also covered by the capacity building plan proposed in current ESMF to strengthen its overall safeguards management capacity.

2.3 Structure of ESMF

This ESMF is an integral part of the Legal Document for this project, which is composed of the Text and three attachments. The Text of the ESMF includes Project Description, introduction of Environmental and Social Management Framework (ESMF), Environmental Impact Description to the Supported Project Activities,
Processing Procedures of Environmental and Social Issues, Institutional Arrangement and Responsibilities, Capacity Building. Additionally, the ESMF includes public participation, grievance redress mechanism (GRS), and the recommended screening tool, which is applicable for all sub projects. The attachments include the Environmental and Social Screening Form, Sample of the EMP, the Resettlement Policy Framework (RPF) and the Ethnic Minority Development Framework (EMDF).

The main text of this ESMF will focus on environmental management, while all the social management issues (including resettlement, social assessment, indigenous people and so on) will be addressed in Annex 3 Social Management Policy Framework (SMPF).

2.4 Applicable World Bank Policies and Chinese Legal Framework

2.4.1 World Bank and Domestic Policy Framework

1. Safeguards policies of the World Bank possibly to be triggered

The follows are the safeguards policies of the World Bank possibly to be trigged by the subprojects under Component 1:

- OP/BP4.01 Environmental Assessment
- OP/BP4.04 Natural Habitats
- OP/BP 4.09 Pest Management
- OP/BP 4.11 Physical Cultural Resources
- OP/BP 4.36 Forestry
- OP/BP 4.37 Safety of Dam
- OP/BP 4.10 Indigenous People
- OP/BP 4.12 Involuntary Resettlement

Regarding the subprojects which trigger any of the above-mentioned safeguards policies of the World Bank, the ESMF has put forward relevant requirements on the preparation of relevant safeguard documents, as detailed in Annex 2.

2. Chinese Environmental Laws and Regulations

- Environmental Impact Assessment Law of the People’s Republic of China (amended in July 2016);
- Environmental Protection Management Directories for Construction Projects (2017);
- Environmental Protection Law (June 1, 2015);
- Water Pollution Prevention and Control Law (January 2018);
- Air Pollution Prevention and Control Law (January 2016);
- Solid Waste Pollution Environmental Protection and Control Law (amended in 2016);
- Ambient Noise Pollution Protection and Control Law (Oct. 1996);
- Law of the People's Republic of China on Protection of Cultural Relics (amended in Nov. 2017);
- Environmental Protection Management Regulations for Construction Projects (issued by the State Council 253#), Nov. 1998;
- Regulations of the People's Republic of China on Nature Reserves (Oct. 1994);
- Regulations of the People's Republic of China on the Protection of Wild Plants (Oct. 2017);
- Regulations on Pollution Prevention and Management of Drinking Water Source Protection Areas (2010);
- Law of the People’s Republic of China on Water and Soil Conservation (March 2011);
- Law of the People’s Republic of China on Wildlife Protection (July 2016);
- Law of the People’s Republic of China on Water Pollution Prevention and Control (January 2018);
- Regulations of Gansu Provincial on Environmental Protection and Supervision Management Responsibility (Gansu provincial government 101#, Aug. 7, 2013)
- Regulations on Pesticide Management (June 2017);
- Standards for Safe Application of Pesticide (June 1982);
- Law of the People's Republic of China on Grassland (June 2013);
- Regulations of the People's Republic of China on Safety Management of Reservoir Dams (March 1991);

2.4.2 Gap Analysis between World Bank Safeguards Policies and Chinese Environmental Regulations

This project is a World Bank-financed project, which should comply with both Chinese environmental laws and regulations and the World Bank safeguards policies. Relevant World Bank safeguards policies were compared against the environmental laws and regulations in China to see if there is any gap.

1. Project EA categorization and EA instruments

Regarding the intensity and the forms of document of EA, the difference existed
between the Environmental Protection Law in China and the World Bank OP4.01 as follows:

**Table 2.4-1 Comparison between China’s Environmental Impact Assessment Law and World Bank Safeguards Policy OP4.01**

<table>
<thead>
<tr>
<th>Environmental Impact Assessment Law of China</th>
<th>OP/BP4.01 Environmental Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 For the projects which might cause significant environmental impacts, an Environmental Impact Assessment Report should be prepared to conduct the full environmental impact assessment.</td>
<td>Category A projects might produce significant negative environmental impacts. The impacts are sensitive, diverse or unprecedented, and the scope of impacts might exceed the project areas or the construction area. A full Environmental Impact Assessment (EIA) report and Environmental Management Plans (EMP) need to be prepared.</td>
</tr>
<tr>
<td>2 For the projects which might cause insignificant environmental impacts, the EIR form should be prepared, to conduct specific environmental impact assessment or specific evaluation of the projects.</td>
<td>Category B projects refer to the potential environmental impacts of projects on human populations or environmentally sensitive areas (including wetlands, forests, grasslands and other natural habitats) that are relatively small compared with category A projects. For some relatively simple Category B projects, only Environmental Management Plans (EMP) needs to be prepared, without needs for the preparation of Environmental Impact Assessment EIA report or only for briefly assessment.</td>
</tr>
<tr>
<td>3 For the projects which might bring limited environmental impact, not need to carry out EIA, but only needs to fill the Registration Form of environmental impact assessment.</td>
<td>Category C projects, on the other hand, have minimal or no environmental impact. In the form of the EIA document. For Category C projects, no environmental impact assessment is required.</td>
</tr>
</tbody>
</table>

2. Applicable WB safeguards policies

For the other environmental safeguards policies of the World Bank deemed trigged by the project activities except OP/BP4.01 on environmental assessment, there are equivalent Chinese laws and regulations applicable, as listed in Table 2.4-2.

**Table 2.4-2 Equivalent Relevant Safeguard Policies Between the World Bank and China**

<table>
<thead>
<tr>
<th>No.</th>
<th>World Bank’s Safeguards Policies</th>
<th>Chinese Laws and Regulations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>OP4.09 Pest Management</td>
<td>Regulations on Pesticide Management, Standards for Safe Application of Pesticide</td>
</tr>
<tr>
<td>3</td>
<td>OP/BP 4.11 Physical Cultural Resources</td>
<td>Law of the People's Republic of China on Protection of Cultural Relics</td>
</tr>
<tr>
<td>4</td>
<td>OP4.37 Safety of Dams</td>
<td>Regulations of the People's Republic of China on Safety Management of Reservoir Dams</td>
</tr>
<tr>
<td>5</td>
<td>OP4.36 Forests</td>
<td>Forest Law of the People's Republic of China</td>
</tr>
</tbody>
</table>

In general, regarding the main World Bank safeguards polices of this project
involved, the corresponding laws or regulations have been available in China. There is no significant difference between the requirements of the World Bank safeguards policies and the requirements of relevant laws and regulations in China. The construction and operation of this project are regulated and restrained by relevant laws and regulations. Supervision and capacity building should be strengthened during project implementation to ensure implementation.
III. Screening of Environmental Impacts and Mitigation Measures

3.1 Environmental Impacts and Mitigation Measures for Component 1

Component 1 is designed to support only the micro and small-scale investments in cultural, tourism, and creative industries. According to the Market Demand of Credit Loan for Small and Micro Enterprises (MSEs) in Cultural and Tourism Industry, the investments will mainly include catering, wholesaling and retailing, lodging (countryside complex/farm entertainment/homestays/camping), tourism products (handicraft workshops and souvenir shops), manufacturing and various leisure/tour services. For these typical project activities anticipated under Component 1, the potential environmental impacts and their mitigation measures have been screened during the ESMF preparation, as presented below (the social impacts and mitigation measures are presented separately in Annex 3 and Annex 4.)

The subproject screening process will exclude from the project financing any proposal involving sensitive receptors with high environmental or social significance, such as protected nature reserves, drinking water protection zones, primary grassland, forest parks and listed heritage conservation units. Based on the experience from similar projects in the region, negative environmental impacts are anticipated during the implementation of civil works, including indirect impacts on cultural heritage sites, loss of surface vegetation, soil erosion, noise and air pollution, construction wastewater and construction waste, traffic disturbance, etc. These temporary and site-specific environmental impacts can be adequately mitigated with easily accessible measures.

For operation period, the tourism services on catering, accommodation, leisure services, wholesaling and retailing (accounting for 86% of the cultural tourism industry based on the market demand survey) are anticipated with insignificant or minor impacts on the environment considering the limited magnitude of activities to be supported by the component. However, some handicrafts business, such as carving, will produce dusty emission during processing, which requires mitigation measures to be taken. On the other hand, the handicrafts manufacture involving lacquer painting may lead to the emission of Volatile Organic Components (VOCs), thus requiring the preparation of EIA report for domestic approval and will be excluded from the project financing as it is equivalent to the Bank's Category A projects.

Table 3-1 Environmental Impacts and Mitigation Measures for Typical Types of Microcredit Subprojects

<table>
<thead>
<tr>
<th>Type of Activities</th>
<th>Negative Environmental Impacts and Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Period</td>
<td></td>
</tr>
<tr>
<td>Type of Activities</td>
<td>Negative Environmental Impacts and Mitigation Measures</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Civil Construction involving no conversion or degradation of key sensitive receptors, such as nature reserves, drinking water protection zones, primary grassland, forest parks and listed heritage conservation units, etc. | 1. The generic environmental impacts and mitigation measures for construction period include:  
2. Materials supply (gravel, concrete, asphalt, etc.): to ensure environmental compliance by controlling dust and material spillage/loss during transport, delivery and storage, sustainability of the source of natural materials, licensed sources of aggregates.  
3. Air pollution: regular water sprinkling on the construction site, covering construction materials with tents, particularly in windy days.  
4. Construction wastewater: to be treated with temporary sedimentation tank and reused on the construction site  
5. Construction waste: to be used for site leveling or delivered to the designated construction waste disposal sites.  
6. Noise: to set up sound insulation screen around construction sites and prohibit construction activities at night.  
7. Ecological impacts such as land occupation, soil erosion, loss of surface vegetation, etc.: Site-specific soil and water conservation measures should be developed and implemented, vegetation restoration should be immediately conducted upon the completion of site construction.  
8. Indirect impacts on and chance find of PCRs: Protection measures of identified PCRs, awareness campaign among construction workers and development of chance-find procedure before construction  

### Operation period

#### Catering

1. Catering wastewater after oil separation treatment will be discharged into the municipal sewage network for further treatment to minimize the impacts on water environment.  
2. The cleaning and transportation of domestic waste and the collection of catering waste by special qualified units, without impact on the environment.  
3. Exhaust gas: to be released after the treatment with small-scale household smoke exhaust ventilator, and most of the medium or large scaled restaurants will discharge gas emission at the top of roof after treatment with electrostatic lampblack purifier.

#### Wholesaling and retailing

No/minimal negative impacts

#### Accommodation
<table>
<thead>
<tr>
<th>Type of Activities</th>
<th>Negative Environmental Impacts and Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation (without catering)</td>
<td>Small-scale accommodation facilities generally no catering available, only involves municipal sewage, domestic waste, municipal sewage pipeline network. Domestic waste would be periodically cleaned, without environmental impact.</td>
</tr>
<tr>
<td>Hotel</td>
<td>The complex of catering and accommodation, taking the similar mitigation measures, with less environmental impact.</td>
</tr>
<tr>
<td>Leisure Services</td>
<td></td>
</tr>
<tr>
<td>Farmers’ Restaurant</td>
<td>It is basically as same as that for catering and accommodation. Sewage for some Farmers’ Restaurants cannot enter the municipal pipe network, but it will be recycled after the underground integrated sewage treatment facility is adopted, with little impact.</td>
</tr>
<tr>
<td>Countryside Complex</td>
<td>In addition to domestic sewage, solid waste, it will produce some solid waste by removing weeds etc, which will be delivered to the animal raising farm as forage in surrounding area, with less environmental impact.</td>
</tr>
<tr>
<td>Amusement and entertainment places</td>
<td>It will produce noise impact, municipal sewage and solid waste, with less environmental impact.</td>
</tr>
<tr>
<td>Culture museum</td>
<td>No/minimal negative impacts</td>
</tr>
<tr>
<td>Car camping</td>
<td>Car exhaust, tourists' household waste;</td>
</tr>
<tr>
<td>Leasing industry</td>
<td>No/minimal negative impacts</td>
</tr>
<tr>
<td>The botanical garden</td>
<td>In addition to domestic sewage, solid waste, it will produce some solid waste by removing weeds etc, which will be delivered to the animal raising farm in surrounding area.</td>
</tr>
<tr>
<td>Tourism Services</td>
<td></td>
</tr>
<tr>
<td>Development and design of cultural tourism products</td>
<td>No/minimal negative impacts</td>
</tr>
<tr>
<td>Calligraphy, Paper cutting, Straw painting and other technical training</td>
<td>No/minimal negative impacts</td>
</tr>
<tr>
<td>Tourist Products (Handicrafts) Processing</td>
<td></td>
</tr>
<tr>
<td>Color pottery</td>
<td>Waste ceramics (transported away as construction waste), waste gas fired by ceramics (using natural gas furnace), can also be burned by electric furnace (no waste gas generated). Very little impact.</td>
</tr>
<tr>
<td>Clay sculpture</td>
<td>Waste ceramics (transported away as construction waste), without impact;</td>
</tr>
<tr>
<td>Paper cutting</td>
<td>No/minimal negative impacts</td>
</tr>
<tr>
<td>Stone carving</td>
<td>Carving waste gas containing dust (water spraying dust or underwater carving), carving wastewater (recycling after precipitation), carving waste scrap (as construction waste).</td>
</tr>
<tr>
<td>Straw painting, embroidery, beads, Lantern making, Horsetail pouch and sachet</td>
<td>No/minimal negative impacts</td>
</tr>
<tr>
<td>Type of Activities</td>
<td>Negative Environmental Impacts and Mitigation Measures</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Straw weaving and other hand knitting</td>
<td>When the project does not involve the painting of lacquer, it will only cause minor impacts on environment. When the project involves lacquer painting, it would produce a certain amount of Volatile Organic Compound (VOC) emission and will be excluded from project financing as Cat. A subproject.</td>
</tr>
<tr>
<td>Root carving, wood carving</td>
<td>Carving dusty waste gas; Waste leftover material (recycled by granule plate factory); Equipment noise;</td>
</tr>
<tr>
<td>Hetian jade (design, processing, marketing), jade carving</td>
<td>Carving waste gas containing dust (water spraying, underwater carving); Waste off cuts (construction waste); Carving spray wastewater (after sedimentation for recycling)</td>
</tr>
<tr>
<td>China's Ink Stone Production</td>
<td>Carving waste gas containing dust (water spraying, underwater carving); Waste off cuts (construction waste); Carving spray wastewater (after sedimentation for recycling)</td>
</tr>
<tr>
<td>Carved Lacquerware</td>
<td>Only dust pollution is involved in the carving process, but some workshops use oil paint as raw material, which produces a small amount of Volatile Organic Compound (VOC) emission and will be excluded from project financing as Cat. A subproject.</td>
</tr>
</tbody>
</table>

3.2 Environmental Impacts and Mitigation Measures for Component 3

Component 3 will not support specific construction and production activities, without direct environmental impacts. However, the technical assistance on cultural site management planning and studies is anticipated with indirect environmental impacts on the involved PCRs and other cultural tourism sites.
IV. Safeguards Management Procedures

In terms of environmental management, the procedures during the subproject “life cycle” will consist of six steps:

Step 1: Subproject screening (see section 4.1)

Step 2: Subproject categorization and identification of safeguards instruments (see section 4.2)

Step 3: Preparation of safeguards instruments (see 4.3)

Step 4: Reviewing and approval of safeguard documents (see section 4.4)

Step 5: Implementation and supervision (see section 4.5)

Step 6: Monitoring and Evaluation

In addition, three more tasks will be implemented throughout the subproject “life cycle”, namely (1) public consultation and information disclosure (see section 4.7), (2) Grievance Redress Mechanism (GRM) (see section 4.8) and (3) Archive management and reporting (see section 4.9).

The following sections mainly illustrate the specific content of Safeguards Management Procedures related to activities under Component 1, which is also applicable to activities under Component 3, but the institutional arrangement of Component 3 is different from Component 1. Institutional arrangement of Component 3 can be found in Chapter V.

4.1 Subproject Screening (Step 1)

The MSEs applying for the microcredit should prepare and submit to Gansu Bank the Environmental and Social Screening Form (Part 1, Annex 1 of the ESMF) together with their project proposal. Gansu Bank, with the assistance of its environmental and social consultants, will complete the safeguards screening by reviewing the Environmental and Social Screening Form and determine whether to support the proposal under the Component.

The following negative list will be applied to the subproject screening and have been integrated into the Environmental and Social Screening Form in Annex 1.
4.2 Subproject Categorization and Identification of Safeguard Instruments (Step 2)

This component will thus only finance Class B or Class C subprojects based on the screening results of Step 1. The FI’s environmental and social management staff should further complete the Environmental and Social Screening Form (Part 2, Annex 1 of the ESMF) to categorize the selected subprojects and determine the

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**Negative List**

1) Any activity not relevant to cultural, tourism, and creative industry;
2) Any production or trade of product deemed illegal under Chinese laws or regulations or international conventions and agreements;
3) Any activity involving significant conversion or degradation of critical natural habitats;
4) Any activity that will significantly damage non-replicable cultural heritage property;
5) Any activity anticipated with significant adverse environmental impacts that are sensitive, diverse or unprecedented, i.e., the project is classified as Category A as defined in the World Bank’s safeguard policy OP/BP4.01 Environmental Assessment or requiring an EIA report for domestic approval according to China’s EIA law;
6) Any activity with the production, trade or use of radioactive materials;
7) Production or trade of products containing PCBs;
8) Gambling, casino and equivalent enterprises;
9) Production or trade in weapons and munitions;
10) Production and/or use of asbestos-containing products;
11) Production, dissemination and sale of illegal pesticides/herbicides or pesticides/herbicides subject to international phase outs or bans;
12) Production or trade in wood or other forestry products from unmanaged forests;
13) Production or activities involving harmful or exploitative forms of forced labor/harmful child labor;
14) Production, trade, storage, or transport of significant volumes of hazardous chemicals or commercial scale usage of hazardous chemicals;
15) Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples;
16) Trade in wildlife or wildlife products.
applicable environmental safeguards instruments. Following the Chinese environmental regulations and the Bank’s safeguards policies, the criteria for subproject categorization and the applicable environmental safeguards instruments are defined as below:

Table 4.2-1 Criteria for Subproject Environmental Categorization and Applicable Environmental Safeguards Instruments

<table>
<thead>
<tr>
<th>Category</th>
<th>Criteria for Subproject Categorization</th>
<th>Applicable Environmental Safeguard Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Projects classified as Category B as defined in the World Bank safeguards policy of OP4.01 Environmental Assessment, i.e., projects required the preparation and approval of Environmental Impact Assessment Form based on the Chinese EIA regulations, <em>Lists of Category Management on Environmental Impact Assessment for the Project Under Construction.</em></td>
<td>Environmental Impact Assessment Reporting Form (EIA form), integrated/standalone Environmental Management Plan (EMP)</td>
</tr>
<tr>
<td>C</td>
<td>Projects classified as Category B as defined in the World Bank safeguards policy of OP4.01 Environmental Assessment</td>
<td>Environmental Impact Registration Form (EIRF) if required by Chinese EIA regulation</td>
</tr>
</tbody>
</table>

The *Environmental and Social Screening Form* (Annex 1) will also determine the triggering of other WB safeguards policies other than OP4.01. Based on the understanding of potential subproject types to be supported and subproject uncertainties, the following instruments may be needed depending on the triggering of relevant policies.

Table 4.2-2 Criteria for Subproject Environmental Categorization and Applicable Environmental Safeguards Instruments

<table>
<thead>
<tr>
<th>Name of WB Safeguards Policy</th>
<th>Triggering Conditions under the Project</th>
<th>Applicable Environmental Safeguard Instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP4.04 Natural Habitats</td>
<td>Project with potential insignificant impacts on non-critical natural habitats such as natural rivers, lakes, wetlands, etc.</td>
<td>Impacts to be assessed project EIA and Mitigation measures to be integrated into EMP</td>
</tr>
<tr>
<td>OP4.11 Physical Cultural Resources</td>
<td>Projects with potential insignificant impacts on identified Physical Cultural Resources</td>
<td>Physical Cultural Resources Management Plan (PCRMP), to be integrated into project EMP</td>
</tr>
<tr>
<td>OP4.09 Pest Management</td>
<td>Project involving the production, procurement or disposal of large quantities of pesticide</td>
<td>Pest Management Plan (PMP), to be integrated into project EMP</td>
</tr>
<tr>
<td>OP4.37 Dam safety</td>
<td>Projects depending on the operation of existing dams</td>
<td>Dam safety assessment to be conducted and mitigation measures to</td>
</tr>
</tbody>
</table>
### 4.3 Preparation of Safeguards Instruments (Step 3)

Based on the results of Step 2, the loan applicants should be responsible for the preparation of the required environmental safeguards documents according to Chinese laws/regulations and the World Bank's safeguards policies. The qualified and experienced environmental consultants should be engaged by the loan applicants to provide technical supports during the document preparation. Annex 2 provides a template of EMP, including PCRMP and PMP as the reference. All the environmental safeguards documents will be submitted to the FI in Chinese.

### 4.4 Review and Approval (Step 4)

The loan applicant should be responsible for following domestic EIA review and approval procedure in compliance with the Chinese regulations. At the same time, the EA documents and domestic approval (when applicable) should be submitted to the FI and be reviewed and cleared by the environmental manager in the FI with the supports of external professional consultants. The World Bank will only conduct post-review of EA documents on a random basis during the Component implementation. Specific review and approval requirements for various categories are listed below.

1. Category B projects: EIA Form to be reviewed and approved by local Environmental Protection Bureau (EPB); while the EIA approval and EMP should be submitted to the FI for review and clearance.
2. Category C projects: Only the online environmental impact registration and filing in the Chinese EPB system should be completed if applicable, and the completed online Environmental Impact Registration Form (EIRF, with the official seal of the enterprise) generated automatically should be submitted to the FI for review.

### 4.5 Implementation and Supervision (Step 5)

1. Implementation

The loan applicants, namely the MSEs, are responsible for the implementation of the environmental mitigation measures as described in the EA documents.
During design, the MSEs shall ensure that environmental impact mitigation measures are incorporated into the detailed design of the subproject. For subprojects involving civil works contracts, the MSEs shall integrate the EMP/environmental mitigation measures into bidding documents and contracts to ensure the implementation of environmental protection measures by the contractors.

During construction, the MSEs should submit the project progress report to the FI on a regular basis, which should include the implementation status of safeguards measures.

2. Supervision

Throughout the project implementation, the PFI or its third-party environmental consultants would be responsible for guiding and supervising the implementation of safeguards measures by the MSEs.

The World Bank will supervise the implementation of ESMF during the Component implementation, including site visits sites and spot check of EA documents and approvals particularly for Cat. B subprojects.

4.6 Monitoring and Evaluation (Step 6)

The FI will designate a qualified and experienced consulting team to perform external environmental monitoring of the Component, review the environmental performance of subprojects and the effectiveness of planned mitigation measures. This will enable the government and the World Bank to evaluate the performance of the ESMF and take corrective actions when necessary.

4.7 Information Disclosure and Public Consultation

Information disclosure and public consultation are necessary and important to maximize environmental benefits of the subprojects and to address public concerns on potential negative environmental impacts. For Category B and C projects, information disclosure and public consultation are required to be conducted by the loan applicants, at least one (1) round during subproject preparation.

Public consultation should be targeted at the project-affected persons and other identified stakeholders/interested parties to seek their opinions during subproject planning and implementation, which could be conducted by the means of questionnaire, field interview, consultation meetings, etc. The feedback from public consultation should be reflected and addressed in the project design or implementation in a timely manner.

Disclosure of information will include, at a minimum, basic project information, anticipated environmental impacts and mitigation measures. Relevant
documents/information should be disclosed in the ways easily accessible for the affected groups and other interested groups, such as posters, brochures, newspapers, online disclosure, community meetings and so on. It should be conducted before public consultation to lay a solid ground for the meaningful public consultation. During project design and implementation, project-related information should be updated and continuously shared with stakeholders as needed. The FI should maintain a copy of the disclosure material on its website, for projects that are extended as part of the Line of Credit (LoC).

4.8 Grievance Redress Mechanism

A Grievance Redress Mechanism (GRM) should be established by the GFHG and the FI during subproject preparation and implementation. The GFHG and the FI shall designate some full-time personnel or a specific department to accept, handle and respond to the complaints from individuals or groups on subproject-related environmental issues, which should be timely registered and reported. All the complaints received should be properly filed.

4.9 Archiving and Reporting

1. Archiving

The FI responsible for the implementation of microcredit component should establish archiving system covering each subproject. The environmental documents to be archived should include: project proposal, completed environmental and social screening form, EIA form and the official approval, Environmental Management Plan (EMP), project implementation progress reports, etc.

2. Reporting

The FI should submit semi-annual project implementation progress reports to the World Bank and include the following contents in the reports with the supports of its environmental consultants: (1) Implementation progress of subprojects; (2) Environmental management status of ongoing subprojects.
V. Institutional Arrangements, Responsibilities and Capacity Building

5.1 Institutional Arrangement and Responsibilities

1. Component 1

The implementation of the safeguards of Component 1 will integrate into the overall processes of project implementation and management. In the specific process, different institutions assume different roles and responsibilities, including the World Bank (WB), Provincial Finance Department (PFD), also known as Gansu Finance Bureau (GFB), Gansu Financing Holding Group (GFHG), PFI (BoG and others), Micro and small enterprise (MSE), and Local Environmental Protection Bureau (EPB). The institutional arrangement of the project is shown in figure 5-1.

![Figure 5-1 Diagram of Institutional Arrangement of Component 1](image)

Table 5-1 shows the respective duties and responsibility for each involved agency during the implementation of the ESMF.

<table>
<thead>
<tr>
<th>No</th>
<th>Name of Institution</th>
<th>Environmental Management Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WB</td>
<td>The World Bank mission will visit the project areas for reviewing the implementation of environmental safeguards document. It will periodically visit the project areas during the project implementation period, to check and supervise the implementation of each sub project.</td>
</tr>
<tr>
<td>2</td>
<td>GFB</td>
<td>It will directly provide policies instruction and administration to the implementation of the Subproject of Financing implemented by GFHG</td>
</tr>
<tr>
<td>3</td>
<td>GFHG</td>
<td>GFHG will carry out semi-annual supervision to 10%</td>
</tr>
<tr>
<td>No</td>
<td>Name of Institution</td>
<td>Environmental Management Responsibilities</td>
</tr>
<tr>
<td>----</td>
<td>-----------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>of loan after lending, which mainly review if the requirements of the World Bank safeguards policies have been followed during lending loan by Gansu Bank.</td>
</tr>
<tr>
<td>4</td>
<td>BoG/PFIs</td>
<td>The FI will be responsible for the ordinary screening of environmental and social issues of the sub projects, the tracing, recording of the implementation of environmental safeguards document, and the performance of environmental and social management of the project during project construction period. The professional independent consultation institute could be entrusted to perform the relevant responsibility.</td>
</tr>
<tr>
<td>5</td>
<td>Independent consultation agency</td>
<td>Entrusted by Gansu Bank, it will be responsible for the screening of environmental and social issues of the sub projects, the tracing, recording of the implementation of environmental safeguards document, and the performance of environmental and social management of the project during project construction period.</td>
</tr>
<tr>
<td>6</td>
<td>MSEs</td>
<td>Responsible for the planning, designing and implementation of each subproject activity, including the preparation and implementation of environmental and social safeguards document for each sub project.</td>
</tr>
<tr>
<td>7</td>
<td>Local EPB</td>
<td>Responsible for the reviewing of domestic environmental assessment document and supervising the applicants if the mitigation measures of environmental impact have implemented.</td>
</tr>
</tbody>
</table>

2. Component 3

The institutions associated with Composition 3 include the cultural PPMO, the World Bank (WB) and Gansu Provincial Culture Department (GPCD), Local Environmental Protection Bureau (EPB) as shown in figure 5-2. Their responsibilities in Component 3 are listed in Table 5-2.

Figure 5-1 Diagram of Institutional Arrangement of Component 3
<table>
<thead>
<tr>
<th>No</th>
<th>Name of Institution</th>
<th>Environmental Management Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WB</td>
<td>The World Bank mission will visit the project areas for reviewing the implementation of environmental safeguards document. It will periodically visit the project areas during the project implementation period, to check and supervise the implementation of each sub project.</td>
</tr>
<tr>
<td>2</td>
<td>GPCD</td>
<td>It will directly provide policies instruction and administration to the implementation of Component 3</td>
</tr>
<tr>
<td>3</td>
<td>Independent consultation agency</td>
<td>It will be responsible for the screening of environmental and social issues of the sub projects, the tracing, recording of the implementation of environmental safeguards document,</td>
</tr>
<tr>
<td>4</td>
<td>PPMO</td>
<td>Responsible for the planning, designing and implementation of each activity, including the preparation and implementation of environmental and social safeguards document for each sub project</td>
</tr>
<tr>
<td>5</td>
<td>Local EPB</td>
<td>Responsible for the reviewing of domestic environmental assessment document and supervising the applicants if the mitigation measures of environmental impact have implemented.</td>
</tr>
</tbody>
</table>

### 5.2 Capacity Building

1. Capacity Building for Gansu Bank

   (1) Arrangement of staff availability and training

   Bank of Gansu, as the first PFI, has involved in the implementation of the Subproject of Financing in the ADB loan project in Gansu Province. Bank of Gansu issued RMB 1 billion of green finance bonds on May 22, 2017. During the process of conducting environmental and social management in the implementation of the ADB-financed project and green finance loan project, Gansu Bank has accumulated abundant relevant working experiences, and has built a professional team involving in environmental and social management working experiences.

   The headquarter of Bank of Gansu has dedicated 2 staffs specialized in relevant environmental and social management experiences, responsible for the coordination working with the World Bank, Gansu Financing Holding Group (GFHG). At the same time, being responsible for the regularly supervision to the branches of Bank of Gansu in each project counties (district) in the process of lending according to the requirements of Environmental and Social Management Framework (ESMF). It includes the environmental screening of relevant project counties, tracing and recording the implementation of safeguards document, as the supervision of project
implementation. Participate regularly in the World Bank’s environmental and social management training.

Each branch of Bank of Gansu in project counties, it has 2 staffs with experience on environmental and social management, responsible for the environmental management work of the daily lending projects.

(2) Contracting of Environmental Consultants

In the first year of the implementation of this project, Bank of Gansu shall recruit competent third-party consulting units to assist them in the implementation of the environmental and social management framework (ESMF). The contracted unit would not only environmental screening, but also the supervision and monitoring of the implementation of sub-projects and the preparation of periodic implementation reports.

2. Capacity Building for the Applicants

To strengthen the capacity building for the applicants of the project in the process of loan lending, training sessions and relevant documents will be provided to the loan applicants on the requirements of environmental safeguard document, due responsibility in environmental management, environmental management and supervision of construction contractor and the contact information of environmental and social responsible unit and corresponding branches of Bank of Gansu in project counties. The applicant may at any time to consult the relevant staff in the relevant branches of Bank of Gansu on environmental and social management.

3. Capacity Building for GFHG

Gansu Financing Holding Group Ltd. Co (GFHG) has arranged full-time staff responsible for the implementation and supervision of the project. It will supervise the PFIs, including Bank of Gansu, to implement Component 1. The external environmental and social management consultants will be hired and at least a dedicated staff will be assigned for environmental and social management. The dedicated staff in the GFHG would receive regular training on safeguards management.

4. Capacity Building for PPMO of Component 3

The dedicated staff in the PPMO of Component 3 would receive regular training on safeguards management. The cultural PPMO will share with PPMO of Component 1 the same Independent consultation agency entrusted by Gansu Bank

Table 5-2 shows the detailed plan on capacity building and training for the Component.

<table>
<thead>
<tr>
<th>Trainee</th>
<th>Main training content</th>
<th>Number of</th>
<th>Duration</th>
<th>Costs</th>
</tr>
</thead>
</table>

Table 5-2 Overview of Capacity Building and Training Plan
| Environmental and social management staff in Gansu Bank and PPMO of Component 3 | Contents of the ESMF; Use of Environmental and Social Screening Form (Annex 1 of ESMF); WB safeguard policies and document requirements, archive management, reporting requirements, etc; Supervision and monitoring of safeguards management for subprojects, and preparation the project implementation progress reports. | 60 | 5 | 10 |
| Applicants of loan | Use of Environmental and Social Screening Form (Annex 1 of ESMF); Preparation of safeguard documents; Information disclosure, public consultation, grievance redress mechanism; Environmental management responsibilities of loan applicants; | 60 persons/time, 4 times/year | 2 days/time | 40 |
| Environmental and social management staff in GFHG | Contents of the ESMF; Screening of relevant safeguard documents; Supervision for safeguards management of subprojects. | 2 | 4 | 2.5 |
VI. Information Disclosure and Public Consultation of the ESMF

6.1 Information Disclosure

1. First Round Information Disclosure

The first round of information disclosure was conducted during the period from July 26 to August 2, 2018 when the EA team conducted the field survey with posters at each visited site. The disclosed information includes the briefing of microcredit component, preliminary safeguards screening criteria, introduction of ESMF approach. No public opinion was received.

2. Second Round Information Disclosure

Started from Sep. 4th, 2018, this Environmental and Social Management Framework (ESMF) was publicized on the official websites of Gansu Financing and Holding Group Ltd. Co. The website of information disclosure is as follow: http://www.gsjkjt.com/news/bulletin. During the period of information disclosure, there is not any public response received.

6.2 Public Consultation

1. First Public Consultation

During the period from July 26 to August 2, 2018, the EA team visited the project sites to conduct environmental impact assessment. By carrying out conference consultation on the contents of the ESMF, including the criteria of screening environmental impact, the proposed environmental safeguards and polices document, the environmental protection responsibilities that should be fulfilled by the owner of project etc, it has acquired the public opinions on these regards. The public opinions received include follows: (1) It is suggested that the questions in Table of Screening Potential Environmental and Social Safeguards Issues should be set as “True of False”; (2) It is suggested that the prepared environmental assessment report for the proposed sub projects should be approved by domestic EPBs. The responses from the publics have been accepted and integrated into this ESMF.

2. Second Public Consultation

Upon the completion of the draft ESMF, the unit of preparing this ESMF has widely acquired the opinions from the Financial Intermediaries, the Financing Holding Group etc., and has modified the version of ESMF based on the responses. Main opinions suggested by relevant departments are as follows: (1) The language used in the Environmental and Social Screening Form should be simple and easy to be understood; (2) The Component should not support handicraft production business
involving volatile organic emission, such as carved paint. All the opinions mentioned above have been integrated into this ESMF.
Annex I:

Environmental and Social Screening Form

Part A: To be filled by the Applicant

Owner of the project: __________________________
Location of the project: __________________________
Main activities: __________________________
Estimated Costs: __________________________
Expected Starting Data: __________________________

Based on the national issued the Directory of Classified Management of Environmental Impact Assessment for the Project Construction, what is the requirements for Environmental Protection Department to approve the project?

EIA Report: Yes:_______ NO:_______
EIA Form: Yes:_______ NO:_______
EIA on-line Registration: Yes:_______ No:_______

<table>
<thead>
<tr>
<th>No</th>
<th>Questions</th>
<th>Answers</th>
<th>If “Yes”, what policies of the World Bank are triggered?</th>
<th>If “Yes”</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Does the project occupy or seriously affect the buffer and core areas of the nature reserve, the drinking water source protection area, the basic grassland, and the forest park?</td>
<td>OP4.04 Natural Habitats</td>
<td>Not supported by the project</td>
<td>EMP</td>
</tr>
<tr>
<td>2</td>
<td>Does the project occupy or affect rivers, lakes, wetlands, etc.?</td>
<td>OP4.04 Natural Habitats</td>
<td>EMP</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Will it occupy or affect listed cultural heritage conservation unit and ancient trees?</td>
<td>OP4.11 Physical Cultural Resources</td>
<td>Not supported by the project</td>
<td>EMP</td>
</tr>
<tr>
<td>4</td>
<td>Does the occupation/impact on the listed building control belts and ancient trees?</td>
<td>OP4.11 Physical Cultural Resources</td>
<td>EMP (Physical Cultural Resources Management Plan-PCRMP)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Does the project involve the production, use or disposal of a large number of pesticide products?</td>
<td>OP4.09 Pest Management</td>
<td>EMP (Pest Management Plan)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Does the project depend on the operation of existing dams? Such as power plants, pools, irrigation facilities and other water facilities which directly fetch water from the dam?</td>
<td>OP4.37 Dam Safety</td>
<td>EMP</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Does the project destroy natural forests or planted forests?</td>
<td>OP4.36 Forestry</td>
<td>EMP</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Does it involve permanent acquisition of rural collective land?</td>
<td>OP/BP4.12 Involuntary Resettlement</td>
<td>Number of affected land; _______ Mu</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Does it involve temporary occupation of rural collective land?</td>
<td>OP/BP4.12 Involuntary Resettlement</td>
<td>Number of affected land; _______ Mu</td>
<td></td>
</tr>
</tbody>
</table>
### Part A: To be filled by the Project Applicant

10. Does it change the nature of the land?  
   - Number of affected land: _______ Mu

11. Is housing demolition involved?  
   - Number of affected land: _______ m²

12. Does it belong to the group of higher income (annual income over 1 million yuan)?

13. Whether it involves traditional culture, costume or handicraft industry of ethnic minorities (if yes, please answer the following questions; If not, skip to question 13)  
   - Whether the project has caused resentment or doubts among local minorities?  
     - Number of affected people: _______  
   - Whether to respect the cultural traditions and customs of local minorities  
     - Number of affected people: _______  
   - Whether the local minority culture industry has a driving role  
     - Number of affected people: _______

14. Do you employ local people?  
   - Number of affected people: _______

15. Do you employ female staff?  
   - Number of affected people: _______

16. Are employees employed with annual income below 15,000 yuan?  
   - Number of affected people: _______

17. Whether to employ local vulnerable groups (female-headed families, single-parent families, disabled people, low-income households, etc.)  
   - Number of affected people: _______

Remarks: (1) If 8-13 items of the screening conditions (which are negative indicators for this project) are triggered, the project is considered as a subsequent alternative; (2) Priority will be given to project implementation support and sponsorship if 14-17 of the screening criteria are triggered (being a positive indicator of the project); The more the corresponding number is driven, the greater the degree of support

I have truthfully filled in the above information according to the project situation.

The applicant signature: ____________  
Date: ____________________

### Part B: To be filled by the Environmental and Social Management Staff

In line with the Safeguards Policies of the World Bank, this project is cataloged to be Category A, B or C, do you agree: ______
If you agree, the following security measures need to be taken:

1.  
2.  
3.  

Environmental and Social Management Staff, Signature: ____________  
Date: ____________________
Annex II:

A Sample of Environmental Management Plan (EMP)

The EMP mainly includes the follows:

1. Mechanism of Environmental Management: It clearly describes the institutional arrangement that is responsible for the environmental management during project construction period and operation period. Clarify the requirements of all parties (i.e., project offices at all levels, project owner units/executing agencies, contractors, construction supervision, environmental monitoring agencies, competent departments, etc.) in terms of responsibilities and personnel allocation in environmental protection. (That is more obvious in tabular or graphical form)

2. Mitigation Measures: Corresponding to the negative impacts identified in the EIA, specific and operable prevention and control measures should be formulated according to the design, construction and operation stages, and who should implement and supervise such measures. General, it requires to use the form. Specifically, it shows as the following table:

<table>
<thead>
<tr>
<th>Stages</th>
<th>Main Activities</th>
<th>Main Negative Impact</th>
<th>Mitigation / Protection Measures</th>
<th>Implementer</th>
<th>Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project designing period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project construction period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project operation period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Monitoring measures: It includes monitoring period, monitoring indicators, monitoring sites and monitoring frequency.

4. Pest Management Plan (PMP): Regarding the projects which involve in the production, use or disposal of a large amount of pesticide, it requires to prepare Pest Management Plan (PMP) document, as a part of Environmental Management Plan. A PMP should include the following contents:

1) Pest management and control measures, concretely including:

<table>
<thead>
<tr>
<th>Objects of protection</th>
<th>Name of Pests</th>
<th>Prevention Measures</th>
<th>Pest Control or Treatment Measures</th>
<th>Implementer</th>
<th>Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2) Working plan and budget;
3) Monitoring and Evaluation, including monitoring objects, monitoring site, monitoring frequency, monitoring budget etc

5. Physical Cultural Resource Management Plan (PCRMP): Regarding the projects which occupy or impact the construction-controlled areas of cultural relics protection units and ancient trees etc, it requires to prepare Physical Cultural Resource Management Plan (PCRMP), as the component of Environmental Management Plan (EMP). The PCRMP should include the following contents:

1) Physical Cultural Resources Impact Mitigation Measures. See the following table in detail.

<table>
<thead>
<tr>
<th>Impact Mitigation Measures</th>
<th>Implementer</th>
<th>Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project designing period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project construction period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>operation period</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2) Monitoring measures: It includes monitoring objects, monitoring method, monitoring frequency and monitoring budgets etc.

6. Training Plan

It needs to prepare training plan on environmental management specifically to the contractors, project operation and management staff, construction workers, which should include trainees, training content, number of participants, training period and budget etc.